

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2413 HB	<b>Title:</b> Concerning funding for wildfire prevention and preparedness activities.
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## Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Insurance Commissioner	0	0	0	129,750,000	0	129,750,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>129,750,000</b>	<b>0</b>	<b>129,750,000</b>

## Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Joint Legislative Audit and Review Committee	.7	291,200	291,200	.3	97,600	97,600	1.6	492,600	492,600
Office of Insurance Commissioner	.1	0	42,125	.0	0	0	.0	0	0
State Parks and Recreation Commission	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.8</b>	<b>291,200</b>	<b>333,325</b>	<b>0.3</b>	<b>97,600</b>	<b>97,600</b>	<b>1.6</b>	<b>492,600</b>	<b>492,600</b>

## Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
State Parks and Recreation Commission	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

# Estimated Capital Budget Breakout

This revised fiscal note adjusts the fiscal years in DNR's fiscal note to coincide with the proposed new revenue being available next biennium.

<b>Prepared by:</b> Leslie Connelly, OFM	<b>Phone:</b> (360) 902-0543	<b>Date Published:</b> Revised 2/18/2020
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2413 HB	<b>Title:</b> Concerning funding for wildfire prevention and preparedness activities.	<b>Agency:</b> 014-Joint Legislative Audit and Review Committee
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	1.3	0.7	0.3	1.6
<b>Account</b>					
General Fund-State 001-1	0	291,200	291,200	97,600	492,600
<b>Total \$</b>	0	291,200	291,200	97,600	492,600

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 01/14/2020
Agency Preparation: Casey Radostitz	Phone: 360-786-5176	Date: 01/17/2020
Agency Approval: Keenan Konopaski	Phone: 360-786-5187	Date: 01/17/2020
OFM Review: Linda Hamilton	Phone: (360) 902-0556	Date: 01/18/2020

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

This bill creates the wildfire prevention and preparedness account, which is funded by a five-dollar surcharge on each property and casualty insurance policy in Washington during the previous calendar year. Funds in the account will be appropriated for the following purposes (Sec. 2-3):

- Fire preparedness activities.
- Fire prevention activities.
- Activities to restore and improve forest health.
- Fire prevention, preparedness, or recovery activities of other state agencies.
- Investment and maintenance of fire prevention and preparedness tracking and reporting systems.

The Legislature intends that investments from this account will increase the resources required to implement the state's "20-year eastern forest health strategy," "10-year wildland fire protection strategy," and "forest action plan." These investments will promote reductions in fire frequency and intensity; improve fire response; reduce wildfire damage, postfire recovery costs, and economic impacts; mitigate health costs of asthma and respiratory ailments due to wildfire smoke; and provide investments in populations vulnerable to and impacted by wildfire (Sec. 1).

By July 1, 2025, Section 5(1) directs the Joint Legislative Audit and Review Committee (JLARC) to report on:

- a) The effectiveness of expenditures made in Section 2 of this act.
- b) The amount raised by the wildfire surcharge created in Section 3 of this act.
- c) The number and type of policies the wildfire surcharge created in Section 3 applies to.

Section 5(2) also directs JLARC to include recommendations on any adjustments to the surcharge created in the act, or the mechanism for dispersing funding created in the act.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

JLARC intends to approach this study in two phases. In Phase 1, we propose to develop a study design to evaluate the effectiveness of expenditures made by this Act as directed in Section 5(1)(a). If the Legislature wishes to move forward with the effectiveness study, the work will be done in Phase 2. Phase 2 will also address Section 5(1)(b) and (c), and Section 5(1)(a) subject to funding.

#### Phase 1: Proposed Study Design for Section 5(1)(a)

Assessing the effectiveness of expenditures made by this Act as directed in Section 5(1)(a) would be a complex undertaking. JLARC staff will need to consult with multiple experts to develop a proposed study design for

evaluating the effectiveness of expenditures made by this Act.

JLARC staff and consultants will work with the Department of Natural Resources (DNR) and the Office of the Insurance Commissioner (OIC) to identify the necessary data, and to understand DNR's proposed performance measures. JLARC staff will work with consultants to develop methodologies that could be used to study the effectiveness of the expenditures as directed in Section 5(1)(a).

The proposed study design will include a cost proposal for the amount needed to conduct an analysis of the effectiveness of the spending from the account created in the bill. JLARC staff anticipate this Phase will cost \$388,800 in staff and consulting costs.

JLARC plans to present this phase to the Legislature by September 2021.

#### Phase 2: JLARC Review of Funding and Spending from the Wildfire Prevention and Suppression Account

This phase will include carrying out the study design identified in Phase 1 subject to funding by the Legislature.

Additionally, JLARC staff will work with DNR, OIC, DOR, and other stakeholders to review the funding sources for the wildfire prevention and preparedness account, expenditure data, the mechanism for dispersing funds from this Account, and DNR's measures of effectiveness.

JLARC staff anticipate this phase will cost \$492,600 for JLARC staff, and plans to complete this phase by July 1, 2025. This does not include any additional consulting costs associated with implementing the study design identified in Phase 1. These costs are unknown at this time.

JLARC estimates its costs to be divided between a) JLARC staff costs, and b) the costs associated with engaging external experts to assist JLARC staff in completing its assignment.

a) JLARC estimates its costs based on audit months (approximately \$20,100 per audit month). JLARC estimates it will take 40 audit months to complete the assignment required by this bill.

b) Consultant Costs: JLARC anticipates engaging consultant(s) to assist JLARC staff in a study design proposal for evaluating the effectiveness of expenditures from the Account created in this bill. We estimate consultant costs of \$87,000.

JLARC assumes comparable consultant efforts and costs made available for previous studies, and estimated costs reflect JLARC's recent experience in contracting with external entities for similar work.

JLARC ASSUMES THAT THE ASSIGNMENT IN THIS PROPOSED BILL MAY REQUIRE ADDITIONAL RESOURCES. JLARC WILL ASSESS ALL OF THE ASSIGNMENTS MANDATED IN THE 2020 LEGISLATIVE SESSION. BASED ON ALL LEGISLATION THAT IS PASSED, JLARC MAY SUBSEQUENTLY DETERMINE THAT IT CAN ABSORB THE COSTS FOR THIS PROPOSED BILL IN ITS BASE BUDGET, IF THE WORKLOAD OF OTHER ENACTED LEGISLATION DOES NOT EXCEED CURRENT STAFFING LEVELS.

HOWEVER, ADDITIONAL RESOURCES TO COVER CONSULTANT COSTS OF \$87,000 WOULD NEED TO BE PROVIDED.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, and goods/services costs. JLARC's anticipated 2019-21 costs are calculated at approximately \$20,100 per audit month.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	291,200	291,200	97,600	492,600
<b>Total \$</b>			0	291,200	291,200	97,600	492,600

### III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		1.3	0.7	0.3	1.6
A-Salaries and Wages		131,300	131,300	56,300	306,300
B-Employee Benefits		42,000	42,000	18,000	98,000
C-Professional Service Contracts		80,000	80,000	7,000	
E-Goods and Other Services		34,700	34,700	14,900	80,900
G-Travel		3,200	3,200	1,400	7,400
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	291,200	291,200	97,600	492,600

### III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Research Analyst	111,051		0.9	0.5	0.2	1.0
Support staff	77,705		0.4	0.2	0.1	0.6
<b>Total FTEs</b>			1.3	0.7	0.3	1.6

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2413 HB	<b>Title:</b> Concerning funding for wildfire prevention and preparedness activities.	<b>Agency:</b> 160-Office of Insurance Commissioner
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Wildfire Prevention and Preparedness Account-State NEW-1				129,750,000	129,750,000
<b>Total \$</b>				129,750,000	129,750,000

### Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.3	0.1	0.0	0.0
<b>Account</b>					
Insurance Commissioners Regulatory Account-State 138-1	0	42,125	42,125	0	0
<b>Total \$</b>	0	42,125	42,125	0	0

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 01/14/2020
Agency Preparation: David Forte	Phone: 360-725-7042	Date: 01/17/2020
Agency Approval: Bryon Welch	Phone: 360-725-7037	Date: 01/17/2020
OFM Review: Jason Brown	Phone: (360) 902-0539	Date: 01/20/2020



## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 2(1) creates the Wildfire Prevention and Preparedness account in the state treasury.

Section 3(1) requires each property and casualty insurer, except a medical professional liability business, to begin on July 1, 2021, to collect a wildfire surcharge of five dollars per policy during the previous calendar year. The minimum wildfire surcharge is one thousand dollars.

Section 3(2) requires each property and casualty company to submit the wildfire surcharge payment by July 15th. Failure to submit payment by July 31st will result in penalties under RCW 48.14.060.

Section 3(3) requires the collected payments be deposited in the wildfire prevention and preparedness account.

Section 5(1) requires the Joint Legislative Audit and Review Committee, in consultation with the Department of Natural Resources and the Office of Insurance Commissioner, to report, by July 1, 2025, to the legislature on the following:

- a) The effectiveness of the expenditures made by this act.
- b) The amount raised by the wildfire surcharge.
- c) The number and type of policies the wildfire surcharge applies to.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Section 3(1), beginning July 1, 2021, requires each property and casualty insurer, except a medical professional liability business, to collect a wildfire surcharge of five dollars per policy in this state during the previous calendar year. The minimum wildfire surcharge is one thousand dollars. Based on the Office of the Insurance Commissioner's (OIC's) internal evaluation on 20% of the market share in effect on December 31, 2018, the estimated number of property and casualty policies is approximately 13 million per year (2,600,000 policies = 20% of market share). Based on the OIC's internal evaluation on 10% of the market share in effect on December 31, 2018, the estimated number of medical professional liability policies is approximately 25,000 (2,500 policies = 10% of market share). The impact of the wildfire surcharge is estimated at \$64,875,000 (12,975,000 policies x \$5 each) in additional revenue each year beginning in FY 2022.

Section 3(2) requires any property and casualty insurer failing to pay the wildfire surcharge by July 31 to pay the same penalties as the penalties for failure to pay taxes when due under RCW 48.14.060. For purposes of this fiscal note, it is assumed that all insurers will pay the wildfire surcharge by the due date.

Section 3(3) requires all moneys collected for the wildfire surcharge or wildfire surcharge penalty to be deposited in the Wildfire Prevention and Preparedness account.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Section 3(1), beginning July 1, 2021, requires each property and casualty insurer, except a medical professional liability business, to collect a wildfire surcharge of five dollars per policy in this state during the previous calendar year. The minimum wildfire surcharge is one thousand dollars. The Office of Insurance Commissioner (OIC) will be required to make changes to its Information Technology (IT) systems to enable insurers to report the number of policies by line of business and the agency to calculate, bill, and collect the new surcharge as well as report and collect penalty fees for those who are past due. The changes to IT systems will include a combination of system configuration changes and software programming enhancements. The OIC's IT staff will implement these changes in-house to ensure that the system changes align with the existing IT infrastructure and technical approaches that OIC uses in its applications and online e-commerce websites. The cost estimate for the system changes and new software development is assumed to be a one-time cost in FY2021 and is estimated at 401 hours for one month utilizing five IT staff.

Section 5(1) requires the Joint Legislative Audit and Review Committee (JLARC), in consultation with the Department of Natural Resources and the OIC, to report, by July 1, 2025, to the legislature on the following:

- a) The effectiveness of the expenditures made by this act.
- b) The amount raised by the wildfire surcharge.
- c) The number and type of policies the wildfire surcharge applies to.

As part of the IT system changes required in section 3(1), the OIC will have the ability to report on the amount raised and the number and type of policies the wildfire surcharge applies to. Therefore, the OIC does not anticipate any cost impacts associated with consulting with the JLARC.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
138-1	Insurance Commissioners Regulatory Account	State	0	42,125	42,125	0	0
<b>Total \$</b>			0	42,125	42,125	0	0

#### III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.3	0.1		
A-Salaries and Wages		25,464	25,464		
B-Employee Benefits		8,236	8,236		
C-Professional Service Contracts					
E-Goods and Other Services		8,425	8,425		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	42,125	42,125	0	0

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
IT Application Developer - Senior	108,912		0.1	0.1		
IT Architecture - Senior	114,360		0.0	0.0		
IT Business Analyst - Senior	103,584		0.0	0.0		
IT Data Management - Senior	106,308		0.0	0.0		
IT Quality Assurance - Journey	94,068		0.1	0.1		
<b>Total FTEs</b>			0.3	0.2		0.0

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 2413 HB	<b>Title:</b> Concerning funding for wildfire prevention and preparedness activities.	<b>Agency:</b> 465-State Parks and Recreation Commission
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## Part I: Estimates

☒ **No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 01/14/2020
Agency Preparation: Lisa Lantz	Phone: (360) 902-8641	Date: 01/27/2020
Agency Approval: Van Church	Phone: (360) 902-8542	Date: 01/27/2020
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 02/05/2020

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

House Bill 2413 creates an account to fund 1) fire preparedness activities necessary for wildfire suppression, 2) prevention activities through national and community-oriented programs, and 3) forest health activities such as thinning, prescribed fire, and other forest health related activities. Eligible activities must be consistent with the 20-year Forest Health Strategic Plan for Eastern Washington, the 10-year Wildland Fire Protection Strategy, and the Washington Forest Action Plan.

The proposed legislation identifies funding fire prevention, preparedness, and recovery activities for state agencies as the priority. It is assumed State Parks would be eligible for funding through this appropriation to use for fire prevention, preparedness, and forest health activities.

This bill establishes a new wildfire prevention and preparedness account with payments made through an annual (calendar year) \$5 surcharge on every property and casualty insurance policy in the state. The Department of Natural Resources estimates this surcharge will generate \$62.5 million per year. The surcharge would be collected by the Office of the Insurance Commissioner.

There is no fiscal impact because funding is subject to appropriation by the legislature.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

None.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

None.

If funding was available, the agency would address the backlog of forest health related activities needed on State Park properties. State Parks 10-year plan for forest health activities assumes a total cost of \$3,600,000 to treat about 1,900 acres. Estimated biennial cost would be \$720,000 (est. 380 acres treated/bien x \$1,900/avg cost per).

Treatments include forest thinning, removing vegetation, creating fuel breaks, prescribed fire, and restoration (i.e. replanting/reseeding, etc.)

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*  
NONE

**III. D - Expenditures By Program (optional)**  
NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**  
NONE

**IV. B - Expenditures by Object Or Purpose**  
NONE

**IV. C - Capital Budget Breakout**  
*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*  
NONE

None.

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 2413 HB	<b>Title:</b> Concerning funding for wildfire prevention and preparedness activities.	<b>Agency:</b> 471-State Conservation Commission
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## Part I: Estimates

☒ **No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 01/14/2020
Agency Preparation: Karla Heinitz	Phone: (360)407-6212	Date: 02/05/2020
Agency Approval: Sarah Groth	Phone: 360-407-6205	Date: 02/05/2020
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 02/05/2020

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The bill creates the wildfire prevention and preparedness account and identifies a fund source. The bill sets forth activities that can be paid out of the account.

The State Conservation Commission (SCC) and conservation districts stand ready to work with all partners to implement the goals and objectives set out in the Washington State Wildland Fire Protection 10-Year Strategic Plan recently published by the Department of Natural Resources (DNR). Prior Firewise funding appropriated by the legislature resulted in accomplishments such as home risk assessments, community chipping programs, youth and adult education, signage to direct emergency responders, fuel reduction projects, assistance for Firewise communities, and participation on the Washington Fire Adapted Communities Learning Network.

With adequate funding, SCC and conservation districts can make great progress towards greater wildfire resilient communities in Washington. The State Conservation Commission (SCC) would craft and administer a grant program(s) for conservation districts to manage and support wildfire prevention and preparedness activities.

Conservation Districts would provide Forest Health and Rangeland Health Technical Assistance, Fire Adapted Communities and Firewise Technical Assistance. Conservation districts would provide the following services to landowners and land managers in a timely manner:

- On-site forest health and range technical assistance including stewardship/conservation planning
- Access to forestry resources, educational events and financial assistance
- Detailed home risk assessments to improve wildfire resilience and connection to financial assistance resources
- Assistance to communities to become fire adapted and/or recognized under the national Firewise USA program
- Promotion of and assistance to complete practices such as home hardening, debris chipping, emergency signage and evacuation planning
- An increased number of Community Wildfire Protection Plans adopted, updated and implemented
- Timely on-site technical and financial assistance to landowners and land managers affected by wildfires

#### Fire Recovery

The types of activities that have been essential and conducted in the past include:

- Post-fire landowner property assessments
- More intensive Burned Area Emergency Response (BAER) assessments on private lands where appropriate
- Technical assistance to plan mitigation/recovery projects to address natural resource and agricultural viability concerns
- Coordination of State, Federal, Tribal, and local recovery programs at the state and local levels and assist landowners and land managers in applying for, and implementing, these programs.
- Financial assistance for projects including, but not limited, to:
  - o Erosion control/slope stabilization practices
  - o Reforestation
  - o Livestock/Agricultural Infrastructure
  - o Water quality protection
- Match for federal programs such as the NRCS Emergency Watershed Program (25% match required), NRCS EQIP program, and FEMA programs addressing natural resources



- Increasing capacity for conservation district staff for:
  - o Post fire site assessments
  - o Red Card certification to assist with BAER efforts
  - o BAER team participation
  - o Wildfire Mitigation Specialist certification

## **II. B - Cash receipts Impact**

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

## **II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

SCC assumes a 1.0 FTE to create and manage a Wildfire Prevention and Preparedness program. The FTE would award grants to approximately nine (9) conservation districts to provide service statewide for forest and rangeland health technical assistance.

The SCC assumes nine (9) Conservation District (CD) FTE equivalents at \$100,000 each per fiscal year to provide, through grants to CDs, service statewide for forest and rangeland health technical assistance.

Forest Health and Rangeland Health Technical Assistance: \$900,000 per fiscal year = \$1,800,000

Fire Adapted Communities/Firewise Assistance: \$2,000,000 per fiscal year = \$4,000,000

Fire Recovery: \$1,980,000 per fiscal year = \$3,960,000

CD Capacity: \$25,000 per FY = \$50,000

Total: \$9,810,000 to Conservation Districts to work on Wildfire Prevention and Preparedness program.

## **Part III: Expenditure Detail**

### **III. A - Operating Budget Expenditures**

NONE

### **III. B - Expenditures by Object Or Purpose**

NONE

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

### **III. D - Expenditures By Program (optional)**

NONE

## **Part IV: Capital Budget Impact**

### **IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2413 HB	<b>Title:</b> Concerning funding for wildfire prevention and preparedness activities.	<b>Agency:</b> 477-Department of Fish and Wildlife
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## Part I: Estimates

☒ **No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 01/14/2020
Agency Preparation: Aaron Dumas	Phone: 3609022528	Date: 01/24/2020
Agency Approval: Collin Ashley	Phone: 3609022529	Date: 01/24/2020
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 01/26/2020

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

There is no fiscal impact due to required appropriation of funds, based on the intended appropriations in this bill from Section 2 the Department of Fish and Wildlife (WDFW) describes expenses related to forest health treatments across all WDFW-controlled lands each biennia consistent with, and to accomplish, goals in the 20-year Forest Health Strategic Plan for Eastern Washington.

Section 2 directs the establishment of the Wildfire Prevention and Preparedness Account in the state treasury. Moneys in the account may be spent only after appropriation. Moneys collected by the surcharge imposed under section 3 must be deposited in the account and appropriated for the following priorities: Activities to restore and improve forest health and reduce vulnerability to drought, insect infestation, disease, and other threats to healthy forests. Funding priority must be given to programs, activities, or projects aligned with the "20-year forest health strategy," the "10-year wildland fire protection strategy," and the "forest action plan" prioritized pursuant to RCW1876.06.200 and 79.10.530 across any combination of local, state, federal, tribal, and private ownerships.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Based on the intended appropriations in this bill, WDFW describes costs associated with forest health treatments across all WDFW-controlled lands each biennium consistent with, and to accomplish, goals in the 20-year Forest Health Strategic Plan for Eastern Washington.

Goal 1 of the 20-Year Forest Health Strategic Plan for eastern Washington is to “conduct 1.25 million acres of scientifically sound, landscape-scale cross-boundary management and restoration treatments in priority watersheds to increase forest and watershed resilience by 2037.” WDFW manages 200,000 acres of forest land in eastern Washington.

An estimated 50,000 acres of these lands need forest thinning and 50,000 acres need prescribed fire to restore forest health and reduce the risk of catastrophic wildfire consistent with the 20-Year Forest Health Strategic Plan. To calculate implementation costs of treatments across biennia, WDFW has made several assumptions for this fiscal note consistent with Department of Natural Resources (DNR) assumptions:

- (1) The implementation of total acres in each biennium is evenly divided, therefore 12,500 acres of forest health treatments for both forest thinning and burning, will be completed each biennium for eight biennia;
- (2) Although there is variation of cost per acre for forest health treatments based on the treatment type, geography, number of acres to be treated, and a host of other factors the standardized cost based on WDFW and DNR agency experience is \$450 per acre.
- (3) One third of the forest health thinning treatment acres have commercial value and/or are covered through a project with commercial value, therefore only two thirds of our lands will require additional funds to implement forest thinning.
- (4) Assumes a ‘one and done’ approach which does not address on-going maintenance of forest health conditions

over time.

**Thinning and Burning Project Costs:**

**Thinning**

6,250 acres times two thirds at \$450 per acre = \$1,875,000 per biennium

**Prescribed Fire**

6,250 acres at \$450 per acre= \$2,812,500 per biennium

Thinning and Burning together = \$ 4,687,200 per biennium in object E.

**Staff in support of projects:**

1.0 FTE Natural Resource Specialist 5 as Prescribed Fire Program Manager to at 218,394 per biennium of salaries and benefits.

The Prescribed Fire Program Manager will supervise two fire teams consisting of 18 positions that are covered in the \$450 per acre project cost. These positions are currently funded under capital dollars and grants that will end after FY 2021.

1.0 FTE Natural Resource Scientist 3 to act as Archaeologist addressing cultural resource project review and consultation consistent with Executive Order 0505 at \$218,394 per biennium of salaries and benefits.

1.0 FTE Natural Resource Specialist 4 serving as Team Coordinator coordinating project efforts, training, etc. at \$204,680 per biennium of salaries and benefits.

**Office Space:**

Two prescribed fire team offices in eastern Washington costing \$3,500 per office per month totaling \$168,000 in object E per biennium.

Goods and services, object E, include \$6,000 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year. Totaling \$36,000 per biennium.

An infrastructure and program support rate of 30.29 percent is included in object T and is calculated based on WDFW's federally approved indirect rate totaling \$1,676,000 per biennium.

Total Rounded to \$7,210,000 per biennium.

## **Part III: Expenditure Detail**

### **III. A - Operating Budget Expenditures**

NONE

### **III. B - Expenditures by Object Or Purpose**

NONE

### **III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2413 HB	<b>Title:</b> Concerning funding for wildfire prevention and preparedness activities.	<b>Agency:</b> 490-Department of Natural Resources
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## Part I: Estimates

☒ **No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 01/14/2020
Agency Preparation: Angela Konen	Phone: 360-902-2165	Date: 02/11/2020
Agency Approval: George Geissler	Phone: 360-902-1684	Date: 02/11/2020
OFM Review: Leslie Connolly	Phone: (360) 902-0543	Date: 02/18/2020

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

This bill creates the Wildfire Prevention and Preparedness account in the State Treasury for funding wildfire prevention, preparedness activities and restoring our forests to health.

Section 1 acknowledges the significant increasing risk of wildfires within the State of Washington, in part due to the forest health crisis. (3) It is the legislature's intent to take immediate action to increase the resources required to implement the state's "20-Year Eastern Forest Health Strategy", "10-Year Wildland Fire Protection Strategy," and "forest action plan".

Section 2 creates the Wildfire Prevention and Preparedness account in the State Treasury. Moneys in the account may be spent only after appropriation. Therefore, the Department of Natural Resources (DNR) has no fiscal impact until the legislature appropriates funding. Once appropriated, the expenditure of these funds could go to various agencies for the activities listed.

Section 2 (3) appropriations for forest health activities in each biennium must not be less than \$25 million.

Section 2 (4) no expenditures from the wildfire prevention and preparedness account may be made without an appropriation.

Section 2 (5) the legislature may direct the forest health advisory committee established in RCW 76.06.200 and wildland fire advisory committee established in RCW 76.04.179 to provide recommendations for investments under this section.

Section 2(6) the forest health advisory committee and wildland fire advisory committee must use environmental justice or equity focused tools, such as the Washington tracking network's environmental health disparities tool, to identify highly impacted communities.

Section 5 states that by July 1, 2025, and in compliance with RCW 43.01.036, the Joint Legislative Audit and Review Committee (JLARC), in consultation with DNR and the Office of the Insurance Commissioner (OIC), must report to the legislature on the following:

- (a) The effectiveness of the expenditures made pursuant to Section 2 of this act;
- (b) The amount raised by the wildfire surcharge created in Section 3 of this act; and
- (c) The number and type of policies the wildfire surcharge created in Section 3 of this act applies to

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

None.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

DNR's Forest Health and Resiliency Division (FHRD), Wildfire Division (WD) and State Land Forest Health Division (SLFH) all anticipate the necessary activities below to successfully achieve the goals and objectives of the statewide 10-year Wildland Fire Protection Strategy, the 20-year Forest Health Strategic Plan for Eastern Washington and the statewide Forest Action Plan. DNR assumes the funding will be available thru 2037



(completion of the 20-year FH Strategy). DNR does not anticipate a slowdown of required work until the 20-year FH Strategy goals are met. Goals are anticipated to be met at 20 years for the 20-year FH Strategy, 10 years for the Wildland Fire Protection Strategy and the statewide Forest Action Plan is ongoing with formal revisions occurring every 10 years. The next upcoming revision is scheduled for completion on June 30, 2020.

Goal 1 of the 20-Year Forest Health Strategic Plan for Eastern Washington (EWA) is to “conduct 1.25 million acres of scientifically sound, landscape-scale cross-boundary management and restoration treatments in priority watersheds to increase forest and watershed resilience by 2037.” To calculate implementation costs of treatments across land ownerships and future biennia, DNR has made several assumptions for this fiscal note: (1) DNR evenly divided the implementation of total acres in each biennium, therefore we estimate 62,500 acres of forest health treatments completed each biennium (represents all lands consistent with 20-year forest health strategy); (2) Although there is variation of cost per acre for forest health treatments based on the treatment type, geography, number of acres to be treated, and a host of other factors we develop this fiscal note with standardized assumptions for calculations based on agency experience to date. DNR estimates per acre cost of terrestrial forest health treatments at two levels - one for small private forest landowners (\$800 per acre) and one for all other forest landowners (\$450 per acre), and that 8 percent of the treatments funded from this legislation completed each biennia will be on small private forest landowner properties at the higher cost, while the remaining 92% will be done on either land ownership types. DNR also estimates that one third of the forest health treatment acres have commercial value and/or are covered through a project with commercial value, therefore not requiring additional funds to implement.

For Western Washington, further refinement of costs for successful implementation of the Forest Action Plan may need to be conducted once the Forest Action Plan revision is completed in June 2020 for areas such as community wildfire preparedness activities (Firewise USA®, fire adapted communities) and home hardening.

This fiscal note identifies cost associated with forest health treatments on DNR state trust forested uplands in EWA; it does not identify costs associated with needed DNR state lands staff and program(s) to support/implement treatments on their landscapes.

DNR assumes new positions are filled by January 2022 with the majority of needed workforce stationed in regions as ‘boots on the ground’ implementation support.

Requested funding is for new work not currently resourced by other funds. Objects breakdown is to be determined based on staffing and contractual needs. Costs may vary/fluctuate based on multiple factors, and is subject to appropriation by the legislature.

DNR estimates the following expenditures, subject to appropriation by the legislature:

Section 2 (a) Fire preparedness activities:

- Develop a workforce and resources gap: \$150,000 one-time contract cost (Firefighting and Incident Management Team (IMT) resources) in fiscal year (FY) 2022. Funding assistance would also be requested from partners.
- Development of long-term implementation plan, Wildfire strategic plan: \$299,900 for 1.0 full-time (FTE) Wildfire Program Coordinator 2 in 2021-2023 and \$323,200 per biennia (ongoing) for a Program Manager in Wildfire Planning & Information staff.
- Additional 15.0 FTE (permanent) Wildland Fire Operations Technician 2 (engines): \$ 3,597,900 in 2021-23 (one-time costs for equipment, phones/tablets) and \$3,647,400 per biennia (ongoing).

- 15 new engines: \$2,257,500 2021-23 (\$1,053,500 one-time cost for 7 engines in FY 2022 and \$1,204,000 one-time cost for 8 engines in FY 2023. Due to the timing of building out 15 engines, costs will occur across the two FY and timing could fluctuate – engine build capacity by FY is an estimate dependent on workload in build shop.
- Additional 10.0 FTE (permanent) Wildland Fire Operations Technician 2 (dozers): \$1,918,800 in 2021-23 (one-time costs for equipment) and \$2,431,800 per biennia (ongoing).
- 10 new Type 2 Bulldozers with Roll-Off Transports in 2021-23 for \$3,650,000 (one-time).
- Additional two 20-person hand crews: \$6,896,300 in 2021-23 for 2.0 FTE Forest Crew Supervisors, 40.0 FTE Firefighters (with one-time costs for 4 crew buses, 2 trucks and 2 laptops and \$7,679,400 per biennia ongoing thereafter.
- An additional 1.0 FTE (non-permanent) Equipment Technician 3 is needed in FY 2022 and 2023 to assist Equipment Services with increased workload requirements. Costs for 2021-23 are \$258,200 (one-time). Current staff is unable to support the projected workload without risk to normal support and services for the department.
- Aerial Response – Aviation Program Plan for Future Programmatic Needs: \$12,474,900 in the 2021-23 biennia (\$11,475,800 in FY 2022 and \$999,100 in FY 2023), \$11,898,200 in the 2023-25 biennia (\$10,899,100 in FY 2024 and \$999,100 in FY 2025) and \$6,898,200 in the 2025-27 biennia (\$5,899,100 in FY 2026 and \$999,100 in FY 2027). Ongoing costs are \$999,100 per FY. Costs are itemized below:
  - o UH-1H Service Life Extension Program - \$3,000,000 in 2021-23 and \$5,000,000 in 2023-25, costs are not ongoing after that time.
  - o 2 Bell 407 Helicopters - \$4,900,000 (one-time) cost 2023-25 and \$4,900,000 (one-time) in 2025-27.
  - o 1 Pilatus PC-12 MMA/ASM with FLIR - \$7,500,000 in FY 2022 (one-time)
  - o Implementation and Coordination of Unmanned Aerial Surveillance (UAS) Program: \$299,900 1.0 FTE Wildfire Program Coordinator 2 in 2021-23 (with one-time costs) and \$323,200 per biennia (ongoing); \$1,675,000 equipment, implementation, and maintenance in the 2021-23 biennia (ongoing).
- Unprotected Lands - (if DNR assumes protection on all 358,000 acres): \$11,960,900 in the 2021-23 biennia for 44.0 FTE, facility leases (one-time costs for vehicles, laptops, 13 fire engines, 2 crew buses, radios, 4 radio repeaters), \$11,320,200 is needed per biennia starting in 2023-25 (ongoing). These are the positions: 6.25 FTE Forest Fire Fighter (15 personnel at 5 staff months each), 1.0 FTE Fire Operations District Manager, 1.0 FTE Unit Fire Manager, 3.0 FTE Assistant Unit Fire Managers, 3.0 FTE Prevention Technicians, 0.75 FTE (9 month position) Assistant Unit Fire Manager, 0.75 FTE (9 month position) Prevention Technician, 9.75 FTE Fire Fighter Engine Crew and 2.25 FTE Squad Bosses (9 month positions).
- Increased local fire service capacity:
  - o \$1,721,300 for 6.0 FTE Wildfire Program Coordinator 1 in 2021-23 and \$1,835,200 per biennia (ongoing). Increased Wildfire Planning and Information staff located in the regions will train local fire services, including volunteers, and support personnel.
  - o \$1,905,000 in FY 2022 (one-time) for the Fire Cache for logistical and equipment support for state mobilization.
  - o \$3,500,000 in 2021-23 and \$9,500,000 per biennia (ongoing) for Volunteer/Rural federal grants and personal protective equipment (PPE) and maintenance of fire equipment.
  - o \$1,200,000 per biennia (ongoing) beginning in 2021-23 to cost match Cost match for Volunteer Fire Assistance (VFA) grants.
  - o \$2,900,000 per biennia (ongoing) for increased rate of replacement of DNR fire engines to provide more surplus engines to the fire districts.
  - o \$2,500,000 in 2021-23 and 2023-25 for Advanced Fire Detection equipment and monitoring/maintenance costs and \$500,000 per biennia ongoing for monitoring and maintenance costs.
  - o \$500,000 in 2021-23 for Exclusive Use Air Tanker Agreement and \$500,000 per biennia ongoing.
  - o \$3,040,000 in 2021-23 for installation of infrastructure improvements at identified critical use facilities used

as Incident Command Posts; examples include generators, telephone, power, high speed internet, etc., and \$40,000 is needed per biennium ongoing for utilities and maintenance.

- \$1,380,000 in 2021-23 and ongoing biennia for increased facilities maintenance and operating costs .

Total costs for Fire Preparedness activities in this section are \$39,388,900 in FY 2022, \$22,721,800 in FY 2023, \$33,527,700 in FY 2024, \$23,627,700 in FY 2025, \$28,527,700 in FY 2026, and \$23,627,700 each FY ongoing. Total ongoing FTE are 119.0 FTE.

Section 2(b) Fire prevention activities:

- o \$1,386,100 in 2021-23 for 5.0 FTE Wildfire Program Coordinator 1 and \$1,464,600 per biennia (ongoing) for Fire Prevention Coordinators (human-caused ignitions).
- o Total costs for Fire Prevention activities in this section in FY 2022 are \$653,800, and \$732,300 per FY ongoing beginning in FY 2023. Total ongoing FTE are 5.0 FTE.

Section 2(c) Forest Health activities:

- \$150,000 in FY 2022 (one-time contract cost) for enhancing rural economies, utilization of forest health treatment material: Analyzing potential markets and current business development activities and needs.
- Landscape risk assessment - Wildfire risks, suppression, prevention, mitigation, costs and statewide coordination:
  - o \$2,000,000 per biennium (\$1,000,000 per FY) ongoing beginning in 2021-23 to monitor for effectiveness.
  - o \$150,000 per biennium (\$75,000 per FY) ongoing for Forest health database maintenance beginning in FY 2022.
  - o \$1,000,000 per biennium (\$500,000 per FY) ongoing beginning in 2021-23 for remote sensing data collection.
- Resilient communities and landscapes:
  - o \$1,131,800 in 2021-23 for 4.0 FTE Wildfire Program Coordinator 1 and \$1,218,600 per biennia (ongoing) for Western WA Firewise USA® or fire adapted communities.
  - o \$1,980,800 in 2021-23 for 7.0 FTE Wildfire Program Coordinator 1 and \$2,132,200 per biennia (ongoing) for Regional Coordinators for implementation of the Quantitative Wildfire Risk Assessment (QWRA) and work with communities to identify values at risk and wildfire threat as identified in the 10-year Wildfire Strategy.
  - o \$5,296,000 in 2021-23 for Home Hardening in high-risk communities within DNR's high priority landscapes and for 1.0 FTE Wildfire Program Coordinator 2. Ongoing costs are \$5,322,000 per biennium.
  - o \$225,600 in 2021-23 for 1.0 FTE Natural Resource Specialist 3 (NRS3) and \$288,400 ongoing per biennium for Limited English Proficiency community outreach.
  - o \$812,000 in 2021-23 for 3.0 FTE NRS3s and \$864,600 ongoing each biennium for Western WA Support for small private landowner support.
  - o \$8,000,000 in 2021-23 (\$4,000,000 per FY) and \$5,000,000 per FY ongoing beginning in FY 2024 for increased resources for mitigating wildfire risk and improving community resilience.
- Post-Wildfire Recovery:
  - o \$296,000 in 2021-23 for 1.0 FTE Wildfire Program Coordinator 2 and \$322,000 per biennia (ongoing) for a Program Manager in Wildfire Planning & Information staff to organize three post-wildfire recovery assessment teams.
  - o \$2,000,000 per biennia ongoing beginning in 2021-23 for contracted services & other agency support for post-wildfire recovery.
- Treating unhealthy forests: 1.25 million acres (over 20 years) in Eastern WA to improve forest resiliency and reduce wildfire risk; incorporating landowner objectives; fulfilling biennium reporting requirements (SB 5546): o

\$19,600,000 in 2021-23 and \$23,600,000 per biennia (ongoing) for treatments, including use of prescribed fire (private, tribal, collaborative grant program).

- o \$1,250,000 per biennia (ongoing) for collaboration, planning & treatment/wildfire prevention implementation in communities.

- o \$299,900 in 2021-23 for 1.0 FTE Wildfire Program Coordinator 2 and \$323,200 per biennia (ongoing) for the Burn Certification Training Program Coordinator (RCW76.04.183).

- o State Land Forest Health (SFLH) work: \$5,350,000 in 2021-23 (\$2,675,000 per FY) and \$5,924,000 per biennia (\$2,962,000 per FY) for FH treatments on DNR state uplands. Ongoing costs per FY are estimated at \$3,258,200 with costs expected to increase each year. SLFH treatments and reforestation would fund over 95,000 acres of commercial and non-commercial treatment on the prioritized landscapes. Activities include: forest hazard reduction, reforestation of burned areas, post-fire regeneration research, seedling production and crop insurance.

The Wildfire Prevention and Preparedness Account would replace SBCA/capital funding for SLFH for mostly non-commercial work, such as reforestation of burned areas and wildfire prevention (fuel breaks and prescribed fire). The capital funds supplement the Forest Health Revolving Account (FHRA) to increase the number of acres treated overall. The majority of identified state lands forest health work is funded by FHRA created by HB1711. The account is now funded and transaction activity (revenue and expenditures) is now fully managed through the account, with the exception of the capital funding. All of the work identified is part of complying with existing law. Treatment work includes reduction is stocking (thinning and creating openings so fire, insects, and disease can't readily spread), constructing fuel breaks (pruning and mowing, reduction ladder fuels the help prevent crown fires), forest health timber sales (commercial treatments with a specified forest health outcome), and prescribed burning (reduction of available fuels).

New activities are post-fire regen research, which will help with prioritizing lands; and growing tree seedlings and crop insurance, which will help us prepare for reforesting burned areas. The need for seedlings is high after large fire year and seedling availability is a limitation. There is also a lag time to grow seedlings for the burned areas. The strategic growing of seedlings specifically to address availability after a fire can make reforestation quicker and reduce completion with other vegetation (other brush doesn't have the 2-3 year head start by the time seedlings are ready to be planted).

Total costs for Forest Health activities in this section in FY 2022 are \$24,631,600, \$24,910,500 in FY 2023, \$28,197,500 in FY 2024 and \$28,197,500 in FY 2025. Ongoing costs per FY are estimated at \$28,493,700 (increased treatment costs not included). Total FTE are 18.0 FTE.

Section 2(d) Fire prevention, preparedness, or recovery activities for other state agencies:

Other agencies, specifically Department of Fish and Wildlife (WDFW) and State Parks and Recreation (Parks), own/manage a forested land base in EWA; this fiscal note identifies cost associated with forest health treatments on those lands in EWA; this fiscal note does not identify costs associated with needed WDFW or Parks staff and respective agency programs to support/implement those treatments on their landscapes.

Funding for both WDFW and Parks Forest Health work should be reported in their respective fiscal notes and are not included in the overall totals. WDFW estimates \$8,000,000 starting in 2021-23 (ongoing) for treatments and Parks estimates \$1,000,000 starting in 2021-23 (ongoing) for treatments.

Section 2(e) Tracking and reporting systems:

Business systems and technology build out for tracking and reporting systems to ensure accountability and

transparency in wildfires prevention and preparedness costs are \$2,830,000 in 2021-23 with one-time costs in FY 2022. Ongoing costs are \$150,000 per biennium.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

NONE

#### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

#### III. D - Expenditures By Program (optional)

NONE

### Part IV: Capital Budget Impact

#### IV. A - Capital Budget Expenditures

NONE

#### IV. B - Expenditures by Object Or Purpose

NONE

#### IV. C - Capital Budget Breakout

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

### Part V: New Rule Making Required

Red=Building of local capacity		21-23			23-25		25-27		27-29		29-31		FH 20-year & WF 10-year strategies WF & FH WF; \$150K - maintenance/licensing fees
		21-23 FTE**	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	
Improve partnerships across all lands:		0.00	\$2,905,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	
Preparedness	Develop a workforce and resources gap analysis (FF & IMT resources)		\$150,000										WF; \$150K - maintenance/licensing fees
Tracking	Business systems and technology build out		\$2,755,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	
Enhancing rural economies:		0.00	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FH 20-year & WF 10-year strategies
Forest Health	Analyze potential markets and current business development activities and needs for utilization of forest health treatment material		\$150,000										FH
Landscape risk assessment:		0.00	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	FH 20-year & WF 10-year strategies
Forest Health	Remote sensing data collection		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	WF & FH
Forest Health	Forest health database ongoing maintenance		\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	FH; \$150K - maintenance/licensing fees
Forest Health	Effectiveness monitoring		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	WF & FH
Resilient communities and landscapes:		16.00	\$8,533,300	\$8,912,900	\$9,912,900	\$9,912,900	\$9,912,900	\$9,912,900	\$9,912,900	\$9,912,900	\$9,912,900	\$9,912,900	FH 20-year & WF 10-year strategies
Forest Health	Increased resources for mitigating wildfire risk and improving community resilience		\$4,000,000	\$4,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Statewide Resource; majority focus EWA
Forest Health	Home Hardening in high risk communities within DNR's high priority landscapes	1.00	\$2,635,000	\$2,661,000	\$2,661,000	\$2,661,000	\$2,661,000	\$2,661,000	\$2,661,000	\$2,661,000	\$2,661,000	\$2,661,000	EWA Resources
Forest Health	Limited English Proficiency community outreach	1.00	\$81,400	\$144,200	\$144,200	\$144,200	\$144,200	\$144,200	\$144,200	\$144,200	\$144,200	\$144,200	Statewide Resource; majority focus EWA
Forest Health	Small Private Landowner Support - Western WA Support	3.00	\$379,700	\$432,300	\$432,300	\$432,300	\$432,300	\$432,300	\$432,300	\$432,300	\$432,300	\$432,300	WWA Resources
Forest Health	Statewide Firewise USA® or fire adapted communities, CWPPs	4.00	\$522,500	\$609,300	\$609,300	\$609,300	\$609,300	\$609,300	\$609,300	\$609,300	\$609,300	\$609,300	Statewide Resource
Forest Health	Regional Coordinators to implement the QWRA and work with communities to identify values at risk and wildfire threat	7.00	\$914,700	\$1,066,100	\$1,066,100	\$1,066,100	\$1,066,100	\$1,066,100	\$1,066,100	\$1,066,100	\$1,066,100	\$1,066,100	Statewide Resource
Safe & effective response: minimize costs, losses, protect high-value resources an		124.00	\$39,892,700	\$23,454,100	\$34,260,000	\$24,360,000	\$29,260,000	\$24,360,000	\$24,360,000	\$24,360,000	\$24,360,000	\$24,360,000	Primarily WF Strategy; some FH Strategy
Preparedness	Development of long term implementation plan Wildfire strategic plan	1.00	\$138,300	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	WF
Preparedness	15 permanent Wildland Fire Specialists (Engines)	15.00	\$2,827,700	\$3,027,700	\$1,823,700	\$1,823,700	\$1,823,700	\$1,823,700	\$1,823,700	\$1,823,700	\$1,823,700	\$1,823,700	WF
Preparedness	10 permanent Wildland Fire Specialists (Dozers)	10.00	\$4,352,900	\$1,215,900	\$1,215,900	\$1,215,900	\$1,215,900	\$1,215,900	\$1,215,900	\$1,215,900	\$1,215,900	\$1,215,900	WF
Preparedness	Two permanent 20-person hand crews	42.00	\$2,545,600	\$4,350,700	\$3,839,700	\$3,839,700	\$3,839,700	\$3,839,700	\$3,839,700	\$3,839,700	\$3,839,700	\$3,839,700	WF
Preparedness	Aerial Response - Aviation Program Plan for Future Programmatic Needs	1.00	\$11,475,800	\$999,100	\$10,899,100	\$999,100	\$5,899,100	\$999,100	\$999,100	\$999,100	\$999,100	\$999,100	WF
Preparedness	Unprotected Lands	44.00	\$6,050,800	\$5,910,100	\$5,660,100	\$5,660,100	\$5,660,100	\$5,660,100	\$5,660,100	\$5,660,100	\$5,660,100	\$5,660,100	WF & FH
Preparedness	Increased support for fire service - coordination, training, equipment	6.00	\$8,008,700	\$6,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	WF
Prevention	Increased support for fire service - Fire prevention coordinators (human-caused ign	5.00	\$653,800	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	WF
Preparedness	Install infrastructure improvements at identified critical use facilities used as Incident Command Po		\$3,020,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	WF
Preparedness	Increased ongoing facilities maintenance costs		\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	WF & FH
Preparedness	Additional Equipment Services FTE for fleet	1.00	\$129,100	\$129,100									
Post-Wildfire Recovery		1.00	\$1,135,000	\$1,161,000	\$1,161,000	\$1,161,000	\$1,161,000	\$1,161,000	\$1,161,000	\$1,161,000	\$1,161,000	\$1,161,000	Primarily WF Strategy; some FH Strategy
Forest Health	Organize, manage and coordinate three post-wildfire recovery assessment teams	1.00	\$135,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	WF
Forest Health	Contracted Services and Other Agency Support		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	WF
Treating unhealthy forests: 125M acres in Eastern WA and acreages to be determin		1.00	\$13,238,300	\$13,261,600	\$15,548,600	\$15,548,600	\$15,844,800	\$15,844,800	\$15,844,800	\$15,844,800	\$15,844,800	\$15,844,800	WF & FH; Predominantly FH
Forest Health	Collaboration and planning		\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	Cost contingent upon workforce, market availability & conditions
Forest Health	Forest Health Treatments, including prescribed fire - DNR (private, tribal, collaborative grant progrn		\$9,800,000	\$9,800,000	\$11,800,000	\$11,800,000	\$11,800,000	\$11,800,000	\$11,800,000	\$11,800,000	\$11,800,000	\$11,800,000	
Forest Health	Forest Health Treatments - DNR State Uplands - Anticipates increases for SLFH costs		\$2,675,000	\$2,675,000	\$2,962,000	\$2,962,000	\$3,258,200	\$3,258,200	\$3,258,200	\$3,258,200	\$3,258,200	\$3,258,200	
Forest Health	Prescribed Fire Burn Certification Training Program Coordinator	1.00	\$138,300	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	\$161,600	
Subtotal - DNR		142.00	\$59,420,600	\$42,222,000	\$53,314,900	\$43,414,900	\$48,611,100	\$43,711,100	\$43,711,100	\$43,711,100	\$43,711,100	\$43,711,100	
Subtotal - Funding for other state agencies - will not come to DNR, but noting to include all costs to			\$8,008,700	\$6,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	\$9,217,600	
Subtotal of FY21													
Subtotal of 21-23 DP and ongoing in outlying biennia		142.00	\$67,429,300	\$48,439,600	\$62,532,500	\$52,632,500	\$57,828,700	\$52,928,700	\$52,928,700	\$52,928,700	\$52,928,700	\$52,928,700	
Grand Total		142.00	\$67,429,300	\$48,439,600	\$62,532,500	\$52,632,500	\$57,828,700	\$52,928,700	\$52,928,700	\$52,928,700	\$52,928,700	\$52,928,700	
			\$115,868,900		\$115,165,000		\$110,757,400		\$105,857,400		\$105,857,400		
Preparedness - Section 2(a)		119.00	\$39,388,900	\$22,721,800	\$33,527,700	\$23,627,700	\$28,527,700	\$23,627,700	\$23,627,700	\$23,627,700	\$23,627,700	\$23,627,700	
Prevention - Section 2 (b)		5.00	\$653,800	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	\$732,300	
Forest Health- Section 2 (c )		18.00	\$24,631,600	\$24,910,500	\$28,197,500	\$28,197,500	\$28,493,700	\$28,493,700	\$28,493,700	\$28,493,700	\$28,493,700	\$28,493,700	
Trackingand Reporting Systems - Section 2 (e )		0.00	\$2,755,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	
Total		142.00	\$67,429,300	\$48,439,600	\$62,532,500	\$52,632,500	\$57,828,700	\$52,928,700	\$52,928,700	\$52,928,700	\$52,928,700	\$52,928,700	

NOTES:

\* FY21 Staffing costs assume hiring January 2022 and include one-time costs (laptops, vehicles such as trucks/engines/crew buses based on program/staff responsibilities, equipment), agency rent of \$6,400/FTE and 27% Agency Overhead costs

\*\*Costs do not account for increases/changes in COLAs, benefits, bargaining agreements, inflation, etc.